

Latest Trends in Organic Cotton from the World Congress “From Fashion to Sustainability” in Switzerland

End of September the World Congress on Organic Cotton “From Fashion to Sustainability” was held in Interlaken in the Swiss Alps, organized by the Swiss NGO Helvetas and the US-based Organic Exchange, both non-profit organizations working to promote organic cotton production. The conference offered a platform with more than 30 workshops, keynote sessions and panel discussions. Around 300 experts, mostly from Europe, exchanged their experience and lessons learned in dealing with the challenges connected to organic cotton. The conference was organized around four main topics: building partnerships along the chain, value chain integrity, marketing and communication, trends and policies, report **Mark Starmanns and Hannes Grassegger**, both from University of Zurich, Switzerland.

Large Consensus on Benefits of Organic Cotton

Various lectures pointed to case studies that affirmed benefits of organic cotton, however, arguing that more research is needed. Hasmukh Patel, representing Agrocel Farm in Gujarat argued that organic cotton farming at Agrocel reduced input costs by 15-20%, provided additional benefits from premium prices, and saved water use by 20%. Results from a case study in Burkina Faso by the University of Berne indicated that although yields were lower for organic than for conventional cotton, revenues and soil fertility were higher for organic cotton. Markus Arbenz from IFOAM, and some of his co-presenters, highlighted organic cotton's potential in mitigating agriculture's greenhouse gas emissions by 55-80%. While Rafiq Chaudhry from the International Cotton Advisory Committee raised the question whether genetically modified (GM) cotton should be allowed for

organic production, GM cotton was harshly criticized by most organic cotton experts. Damien Sanfilippo of PAN UK pointed out that some of the problems connected to GM cotton were: Uncertainty about health risks, contamination of non-GM plants, loss of biodiversity, growing of resistances in weeds and insects, and the shift of seed control into the hands of large corporations. The Delhi-based Centre for Science and Environment has been highlighting similar issues since years.

Harmonization of Organic Cotton and Textiles Certificates

One main concern of the discussion was how the integrity of organic cotton and textile production could be assured. Besides presentations of good practices by both SEKEM and bioRe India Ltd., of which the latter, represented by Ritu and Rajeev Baruah, grows 16,255 acres and includes more than 8,000 farmers in India, various different standards

for organic cotton and textile processing were presented.

Participants criticized that more than 70 private labels are used for ecological textile and garment production, which causes confusion and costs for consumers and producers alike. In this context, various participants praised the harmonization of nine organic textile certifications into the Global Organic Textile Standard (GOTS), which was talked about in various sessions.

GOTS was set up by an international working group of four organizations namely the German International Association Natural Textile Industry (IVN), the English Soil Association (SA), the US-American Organic Textile Association (OTA), and the Japan Organic Cotton Association (JOC). The new standard defines criteria for fibre use and for textile processing. Basically natural fibres must be used and at least 70% of fibre must be certified as organic cotton, according to regulation EC 834/2007 or USDA NOP. The standards for textile processing mainly concern the use of chemicals, water treatment, and also requires that social minimum criteria, based on ILO, are met. Additionally, organic product flow is assured. Factories are inspected annually. The number of GOTS-certified utilities rose from 26 in 2006 to 177 in 2008.

Growth in Cotton Demand & Supply, but Oversupply in Organic Cotton

Today, organic cotton only covers around 0.6% of the global cotton market, even though the amount



Theatre hall plenum

Organic cotton grown in the last years has rapidly increased and is continuing to do so. Simon Gino of Organic Exchange, for instance, estimates that the organic cotton yield this year will continue to grow by 22%. Similarly, most official statements at the congress highlighted the growing trend in organic cotton.

However, experts say that as the supply of organic cotton has grown faster than its demand, there is a current oversupply of organic cotton. At the beginning of 2009 stocks were at 42,000 tonnes. Between 17% and 30% of the 2008/2009 yield are not sold and form the first major surplus in organic cotton. Jitender Singh from Alok Industries and Tschannen from the Swiss Textile AG reported that the premium for organic cotton has been cut sharply. Cotton farmers even had to sell their organic cotton as conventional cotton. Following Organic Exchange, manufacturers along the entire value chain, from mills to retailers, currently still overstock.

However, experts agreed that the current trend in organic cotton is changing and expected stocks to be reduced by late 2010. The three largest retailers of organic cotton – Walmart, H&M, and Nike, who together cover around 50% of the global demand for organic cotton, have announced their expansion of their use of organic cotton. Having said this, Organic Exchange is warning farmers not to grow organic cotton, unless they have buyers, who guarantee the yield. For instance, larger retailers like Switcher and H&M said that they will not react to price decreases in organic cotton

by rapidly expanding their organic assortment. Instead, they will continue to expand their offer, which enables them to build up good and long-term partnerships in their supply chains.

Consumers Continue to Demand more Organic Cotton

So despite the growth in organic cotton products sold within the last ten years, companies and consumers are still slow in buying organic products. Research suggests three main reasons, among others, why consumers are moving to organic cotton too slowly: First, organic products in the shops are often offered around 30% above the prices for the same products from conventional cotton, which consumers are not ready to pay. Economies of scale through increased cotton production could help bring prices down. Second, many shops only offer basic organic cotton products like T-Shirts and the selection of more fashionable products is still pretty low, partly because there seems to be little supply in affordable high quality organic cotton.

However, consumers need more clothing than just T-Shirts. Thus, brands not only in Europe, the US, but also in emerging markets like India or China should expand and diversify their offer regarding organic cotton and push its marketing. Third, only a minority of consumers is fully aware of the problems connected to conventional cotton and thus willing to pay a higher price for organic cotton products. In addition to this low awareness, the proliferation of consumer labels and product



The text says: "When you buy a T-Shirt, also ask for organic."

certificates confuses consumers that might be willing to invest more money to buy organic products. Therefore, there is a need for more harmonization and consumer information.

To raise consumers' awareness regarding clothing from organic and fair trade cotton, Helvetas, the organizer of the congress, recently started an awareness campaign in Switzerland. Through large advertisements in the streets and in magazines, it tries to show that consumers should request organic textile products. It does this by pointing out the connection between organic vegetables – that are well established with Swiss consumers – and organic clothing (see picture).

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